Exemption of small scale units manufacturing finished medicines from price control order 1987

546. DR. G. VIJAYA MOHAN REDDY: Will the Minister of HEALTH AND FAMILY be pleased to state:

(a) whether Government are aware that all small scale units manufacturing finished medicines are exempted from price control order, 1987;

(b) whether it is a fact that there are number of Rifampicin formulations covered under small scale manufacturing;

(c) whether it is a fact that Government have recommended for shifting of Rifampicin which is used by TB patients from Category I to Category II;

(d) whether it is also a fact that Government ignored other facts such as foreign exchange involvement in the domestic production, sale price as compared to import of the drugs apart from exemption of price control to small scale units; and

(e) if so, what is the authority which supported such a proposal in his Ministry and what action has been taken against them?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI MOTI LAL VORA): (a) Category II formulations manufactured by small scale sector units are exempted from price control under Drug Price Control Order, 1987 subject to certain conditions. Copy of Order No. S.O. 719 (E) dated 21st July, 1988 is annexed as Statement. (*See* below).

(b) Yes, Sir.

(c) and (d) Recommendations for reclassification of Rifampicin from Category I to Category II was made to the Deptt. of Chemicals to encourage local production from basic stage. A Committee was later set up to review the drugs in Category I and it has submitted its report on 8.11.1988.

(e) Does not arise.

Statement

MINISTER OF INDUSTRY

(Department of Chemicals and Petro-Chemicals)

Order

New Delhi the 21st July, 1988

S. O. 719(E)—In exercise of the powers conferred by paragraph 28 of the Drugs (Prices Control) Order, 1987 and in supersession of S.O. 925(E) dated the 16th October 1987, the Central Government hereby exempts every drug manufacturing unit registered as small scale unit with any Central Technical Authority or State Directorate of Industries or any other appropriate authority under the Industries (Development and Regulation) Act, 1951 (65 of 1951) from the operation of the said Order in so far as they relate to formulations specified in Category II of Third Schedule of the said Order subject to the conditions that:

(i) it is an independent unit/company and not a subsidiary of or owned or controlled in any manner by order other undertaking which is not so exempted from provisions of Drugs (Prices Control) Order, 1987.

(ii) the fomulations are market by the concerned unit/company in their own brand names and trade marks or in the brand or trade name of any other Small Scale Industry unit.

(iii) a declaration complying with conditions (i) and (ii) above alongwith a copy of permanent Registration Certificate as a Small Scale Unit is submitted to the Government within 60 days from the date of this notification in case of existing units and 60 days from the date of commencement of production in the case of new units.

NOTE:

(i) The above exemption to a Small Scale Unit/Company is available only in respect of Category II formulations under Drugs (Prices Control) Order, 1987 and will be no longer admissible as soon as it ceases to be Small Scale unit company.

(ii) The exemption is granted only to those products manufactured in their own factory under their own Registration Certificate or in the factory of any other SSI units.

(iii) Unit Company availing exemption in violation of this Order shall be liable for penal action and to deposit dues to Government with retrospective effect.

(No. 4(8)87-Pt.(II)

SHYAMAL GHOSH, Jt. Secy.

Representation of Central Drug Control

547. DR. G. VIJAYA MOHAN REDDY: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether it is a fact that the Central Drugs Control is represented in a committee which recommends prices of formulations;

(b) whether it is also a fact that prices of a number of medicines covered under category I have not been revised based on present MAPE and latest fixed bulk drug prices;

(c) what are the names of these medicines; and

(d) what are the reasons for non-fixation and what steps Government have taken to speed up the price fixation in the consumer interest?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI MOTI LAL VORA): (a) Yes, Sir.

(b) to (d) The Department of Chemicals and Petrochemicals, which is concerned with these sub-questions, have informed that the Committee recommends prices of formulations under Drugs Price Control Order, 1987 to the Department of Chemicals and Petrochemical based on applications received and prices worked out by Bureau of Industrial Cost and Prices.

Overcharging of Rifampicin Drug

548. DR. G. VIJAYA MOHAN REDDY: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to refer to the answer to Unstarred Question 4130 given in Rajya Sabha on 31st August, 1988 and state:

(a) whether it is a fact that a number of complaints have been received against overcharging of prices of Rifampicin plus INH combination and his Ministry is deliberately not acting on the complaints;

(b) whether it is a fact that prices of three packs of this combination which were being overcharged earlier have been fixed in August 1988 only after the complaints;

(c) whether it is a fact that the prices of formulations have not been reduced at bulk drug price of Rs. 2,500/- fixed by the Government; and

(d) if so, what steps Government have taken in the TB patients' interest?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI MOTI LAL VORA): (a) to (d) The prices of drugs are controlled under the provisions of Drugs (Prices Control) Order, 1987 by the Department of Chemicals.

This Ministry have not received any complaint regarding overcharging.

Utilisation of Ground Water

549. SHRI S. S. AHLUWALIA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Government had prior indications of a fair monsoon this year from the Meteorological Observations as also of probability of occurrence of widespread floods, particularly in traditionally flood prone regions as usual consequence following severe droughts;

(b) if so, whether any crash programmes have been implemented to utilise these phenomena for augmenting the